

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison
Company (U 338 E) Regarding the Future
Disposition of the Mohave Generating Plant.

Application 02-05-046
(Filed May 17, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
SCHEDULING A PUBLIC PARTICIPATION HEARING AND
PREHEARING CONFERENCE AND ORDERING PARTIES
TO MEET AND CONFER**

Summary

This ruling schedules a Public Participation Hearing (PPH) and a Prehearing Conference (PHC) for Friday, September 13, 2002, at 1:00 p.m., in Western Navajo Agency – Conference Room, 407 Federal Building, Highway 160 East, Tuba City, AZ 86045. Members of the public who attend the start of the proceeding may make comments, on the record, before the PHC begins. The PHC will allow the parties to address the need for hearing, the issues to be considered, and the timetable for resolving the hearings. Parties are ordered to meet and confer before the PHC to discuss the above issues, and, if hearings are determined to be necessary, to present a proposed hearing schedule. Parties may file separate, or joint, PHC Statements.

Background

On May 17, 2002, Southern California Edison Company (Edison) filed an application seeking Commission authorization on the future disposition of the Mohave Generating Station (Mohave). Mohave is a two-unit, coal-fired plant

located in the community of Laughlin, Nevada. Each of the plant's generating unit has an operating capacity of approximately 790 MW, for a total plant generating capacity of approximately 1580 MW. Edison owns a 56% undivided interest in the plant and is the plant operator.¹ Edison employs approximately 355 people for the Mohave operation.

Edison has concluded that it probably will not be possible to extend the operation of Mohave as a coal-fired power plant beyond the end of 2005 because 1) issues related to the coal supply are unresolved; and 2) significant amounts of capital must be expended on the plant. The plant's current coal supply agreement runs through 2005, and unless the unresolved issues are settled, Edison may not have a continued supply of coal after 2005. Also, under the terms of a 1999 consent decree, certain air pollution control equipment, at an estimated cost of \$58 million, must be installed or the plant cannot continue operating on coal after 2005.

Edison, therefore, requests that the Commission either recognize the end of Mohave's coal-fired operations as of the close of 2005 and authorize appropriate balancing accounts, or authorize Edison to spend up to \$58 million in 2003 on the pollution control activities.

Protests were filed by the Center for Energy and Economic Development (CEED), Coalition of California Utility Employees (CUE), Hopi Tribe, Navajo Nation, Peabody Western Coal Company (Peabody), Salt River Project Agricultural Improvement and Power District (Salt River), Black Mesa Pipeline

¹ The remaining percentage shares in the plant are owned as follows: 20% by Salt River Project Agricultural Improvement and Power District, 14% by Nevada Power Company, and 10% by Los Angeles Department of Water & Power.

Inc. (Black Mesa),² and the Utility Reform Network (TURN). In general, the protests raise concerns regarding the prudence of Edison's request for \$58 million, ramifications from any temporary suspension of operation of Mohave, loss of a low-cost, reliable generation plant, damage to the local communities, including loss of economic benefits to the Navajo Nation and Hopi Tribe, and the effects of a shut-down on companies, and their employees, that are associated with coal-fueled electricity.

Meet and Confer

Pursuant to Rule 49 of the Commission's Rules of Practice and Procedure, Edison is directed to coordinate a meet and confer conference³ in advance of the September 13, 2002, PHC. The parties are then to file and serve either a separate or joint PHC statement by 5:00 p.m. on September 10, 2002. Any party that filed a protest is to be included in the meet and confer. This meet and confer is for the purpose of identifying topics and issues for inclusion in the proceeding, discussing whether hearings will be necessary, and if so, the time required for cross examination, and a proposed procedural schedule that includes dates for the service of testimony and hearings.

² Black Mesa filed a motion to intervene and Salt River filed motions to intervene and for leave to file comments. On July 19, 2002, the assigned Administrative Law Judge (ALJ) issued a ruling granting the Black Mesa and Salt River motions.

³ This meet and confer may be held telephonically, by e-mail correspondence, or by any method that is acceptable to the participants.

Purpose of the PPH

The primary purpose of the PPH portion of the proceeding is to allow members of the public to address the Commission on issues raised by Edison's application or by the protests.

Purpose of the PHC

One of the purposes of the PHC is to establish a service list. Any party attending the PHC, who did not have an opportunity to participate in the meet and confer, will have an opportunity at the PHC to discuss the following topics, and any party filing a PHC statement should address these topics:

- The need for and duration of a hearing.
- Whether additional PPHs would be useful to the Commission in deciding Edison's application.
- The timetable for resolving the proceeding and a proposed procedural schedule – including hearings, if necessary.
- Status of or need for discovery. If discovery is necessary, parties should initiate it as soon as possible.
- Whether the parties plan to file motions in this proceeding.

Electronic Service

Rule 2.3(b) of the Commissions Rules of Practice and Procedure provides that the Administrative Law Judge (ALJ) may direct that service be made by electronic means. By this ruling, I direct that all appearances that can provide the Commission with an electronic mail address are to serve and accept service of documents by electronic mail. Any appearance that has not provided an electronic mail address shall provide a fax number and/or a phone number, if available, so appearances without electronic mail can receive information in an expedited manner. Any appearance without electronic mail shall serve and take

service by paper mail as described in Rule 2.3(a).⁴ This ruling does not change the rules regarding tendering of documents for filing, which must be done in paper form, as described in Rule 2, et seq.

The current service lists for active proceedings are available on the Commission's web page, www.cpuc.ca.gov. Choose "Service Lists," and scroll to the proceeding number, A. 02-05-046. Parties are reminded to contact the Commission's Process Office to update address information when necessary so that the current service list is as up-to-date and accurate as possible. Parties are to serve Commissioner Lynch at lyn@cpuc.ca.gov, and ALJ Brown at cab@cpuc.ca.gov.

IT IS RULED that:

1. Parties shall meet and confer informally to identify topics and issues for inclusion in the proceeding, hearing schedule, and file and serve either a separate or joint Prehearing Conference (PHC) statement by close of business on September 10, 2002.
2. A Public Participation Hearing and PHC will be held on September 13, 2002, at 1:00 p.m., in Western Navajo Agency – Conference Room, 407 Federal Building, Highway 160 East, Tuba City, AZ 86045.
3. Electronic mail service protocols are established as set forth above.

Dated August 23, 2002 at San Francisco, California.

/s/ CAROL A. BROWN

⁴ Commission Rules of Practice and Procedure, which are codified at Chapter 1, Division 1 of Title 20 of the California Code of Regulations.

Carol A. Brown, Interim Chief
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Scheduling a Public Participation Hearing and Prehearing Conference and Ordering Parties to Meet and Confer on all parties of record in this proceeding or their attorneys of record.

Dated August 23, 2002 at San Francisco, California.

/s/ ERLINDA PULMANO
Erlinda Pulmano

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

